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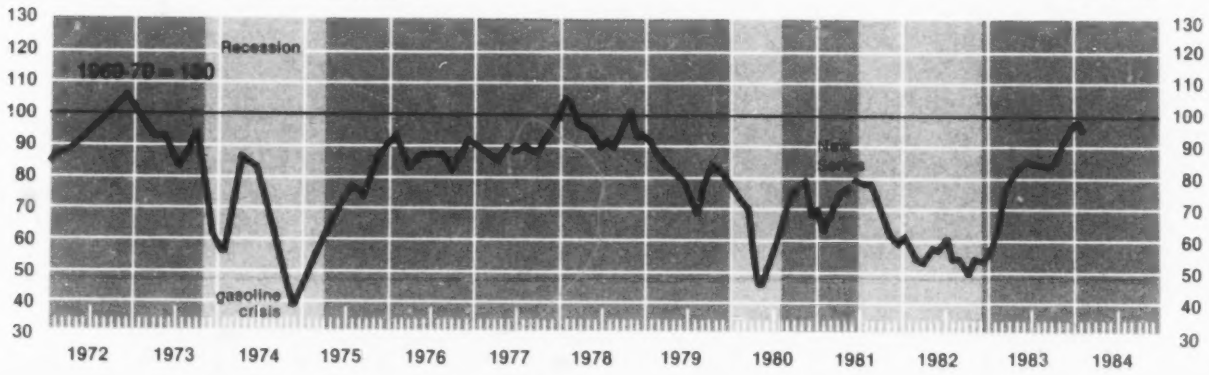
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index

March, 1984



MEASURE OF CONSUMER CONFIDENCE DOWN SLIGHTLY, BUT PLANS TO BUY MARGINALLY STRONGER

After five consecutive months of gain, the Conference Board's Consumer Confidence Index (1969-1970 = 100) edged off in February to 95.4, a loss of three points for the month. Buying plans, however, registered a small gain.

In assessing ongoing business conditions, consumers continue to grow increasingly positive, but they have grown more cautious in their expectations for developments over the next six months. The number who expect business conditions to improve has declined, while those who expect them to worsen has increased. Similarly, fewer respondents than last time now believe that more jobs will become available. On both of these issues—business and jobs—optimists still outnumber pessimists by a large margin.

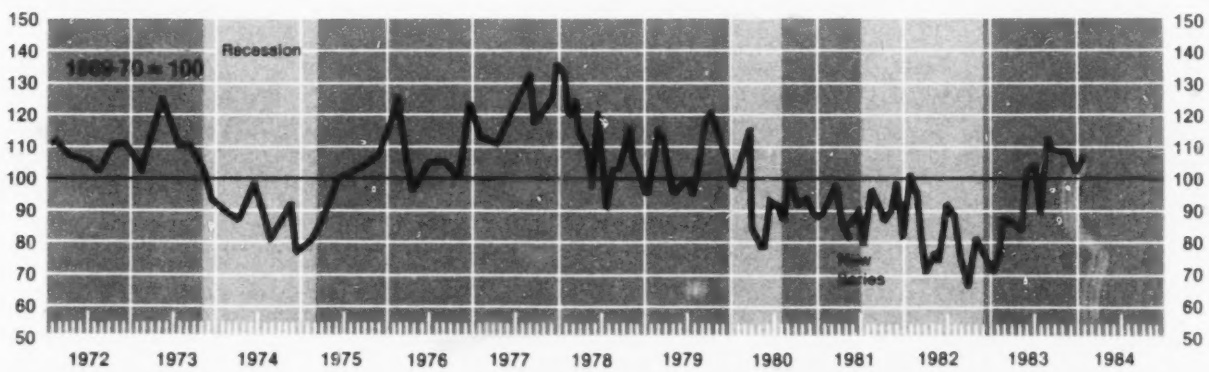
In assessing their own immediate financial circumstances, fewer persons now expect that their incomes will rise over the next six months—26% of all those contacted as compared to 32% previously.

However, buying plans have improved. The proportion of those who say they will purchase a car in the next six months rose to 8.9% from a previous 8.4 percent. Those who plan to buy a home also rose—to 3.7% from 3.4% of all respondents. Interest in appliances remained unchanged: Close to 27% of all survey participants indicated that they would purchase a major appliance in the next six months.

The decline in the consumers' expectations in assessing the immediate future runs counter to recent economic news. Personal income has been rising and retail sales are particularly lively. The single major negative event in February was the sudden and sharp decline in stock market prices. This obviously was deflating news since behavior of the market is widely considered to be a sign of things to come. But perhaps equally important is the fact that, as the economy grows stronger and more persons feel that ongoing conditions are "good," there is likely to be some decrease in the number of those who believe that there will be still further improvements.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

All series seasonally adjusted	1983 Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	1984 Jan (r)	Feb (p)
						Composite Series: Index Numbers, 1969-1970 = 100							
Consumer Confidence Index	65.8	77.1	80.3	84.0	84.9	84.7	84.6	84.8	85.7	90.2	95.1	98.4	95.4
Present Situation	14.1	19.5	23.9	28.2	32.8	37.2	39.3	43.1	44.0	51.1	57.9	63.2	66.9
Expectations	100.3	115.5	117.9	121.2	119.6	116.3	114.8	112.6	113.5	116.2	119.9	121.9	114.4
Buying Plans Index	75.8	87.9	86.0	85.2	103.6	100.5	89.9	113.5	109.9	108.9	106.5	101.4	107.0
						Appraisal of Present Situation: Percent							
Business Conditions													
Good	7.7	10.1	11.4	13.5	15.0	15.9	16.5	18.3	19.4	20.2	23.9	24.7	25.5
Bad	53.2	47.8	44.7	38.7	36.9	32.2	33.5	31.0	30.8	27.5	23.9	21.8	23.3
Normal	39.1	42.1	43.9	47.8	48.1	50.9	50.0	50.7	49.8	52.3	52.2	53.5	51.2
Employment													
Jobs plentiful	2.7	3.5	4.9	4.6	5.9	6.8	7.4	7.7	7.4	9.5	9.8	11.4	14.0
Jobs not so plentiful	38.7	42.2	41.7	44.1	45.5	45.9	48.6	48.5	49.3	50.4	51.2	50.4	49.4
Jobs hard to get	58.6	54.3	53.4	51.3	48.6	47.3	44.0	43.8	43.3	40.1	39.0	38.2	36.6
						Expectations for Six Months Hence: Percent							
Business Conditions													
Better	32.2	39.2	38.9	39.1	37.6	36.6	32.7	30.1	30.1	31.2	32.8	33.1	28.7
Worse	11.5	7.1	6.2	4.8	5.3	6.6	6.6	6.8	6.7	6.1	5.2	3.9	5.7
Same	56.3	53.7	54.9	56.1	57.1	56.8	60.7	63.1	63.2	62.7	62.0	63.0	65.6
Employment													
More jobs	24.2	31.6	31.0	30.8	29.7	28.9	26.6	24.5	24.8	25.6	25.9	25.7	21.5
Fewer jobs	16.9	13.7	11.9	10.1	11.0	13.0	12.1	13.1	13.9	11.9	10.6	10.6	12.0
Same	58.8	54.7	57.1	59.1	59.3	58.1	61.3	62.4	61.4	62.5	63.5	63.7	66.5
Income													
Increase	20.5	24.8	26.6	25.9	26.0	28.7	26.0	28.3	31.1	28.3	31.1	32.4	26.3
Decrease	10.6	8.1	9.6	9.6	8.9	8.9	8.8	8.6	7.6	7.8	7.7	7.3	6.3
Same	68.9	66.1	63.8	64.5	65.1	62.4	65.2	63.1	61.3	63.9	61.2	60.3	67.4
						Plans to Buy Within Six Months: Percent							
Automobile													
Yes	5.4	7.2	6.1	6.0	8.4	7.8	7.2	9.1	9.0	9.3	8.7	8.4	8.9
New	3.1	3.9	3.4	3.6	4.7	4.1	3.4	5.1	5.3	5.1	4.9	5.1	5.1
Used	2.0	2.8	2.4	2.1	2.2	2.7	2.4	3.6	3.3	3.4	3.3	2.5	3.4
Uncertain	0.3	0.5	0.3	0.3	1.5	1.0	1.4	0.4	0.4	0.8	0.5	0.8	0.4
Home													
Yes	2.4	2.7	3.1	2.8	3.4	3.3	3.0	3.8	3.6	3.6	3.6	3.4	3.7
New	0.4	0.6	0.6	0.8	1.0	1.1	0.8	1.3	1.0	1.2	1.2	1.0	0.9
Lived in	1.5	1.4	1.8	1.3	1.7	1.3	1.5	1.7	1.9	1.6	1.5	1.4	1.9
Uncertain	0.5	0.7	0.7	0.7	0.7	0.9	0.7	0.8	0.7	0.8	0.9	1.0	0.9
Major appliances													
Total plans	22.3	23.7	23.4	25.5	27.7	29.2	23.8	30.6	29.2	26.5	29.8	26.7	26.8
Refrigerator	3.2	3.3	3.9	3.8	3.3	4.7	3.4	4.1	3.4	3.5	3.7	3.2	3.6
Washing machine	2.4	2.7	2.9	3.2	4.3	3.5	2.7	4.0	3.3	3.6	3.6	3.4	4.0
Black and white TV	1.1	0.9	0.5	1.0	0.7	0.7	0.9	1.1	1.0	0.7	1.2	0.9	0.6
Color TV	5.8	6.5	6.1	7.4	8.1	7.6	6.1	8.2	8.0	7.5	8.2	7.8	7.0
Vacuum Cleaner	4.1	4.3	4.2	3.9	4.6	5.0	4.1	5.2	5.6	4.4	5.2	4.1	4.6
Range	2.4	2.2	2.4	2.2	2.6	2.8	2.3	2.6	2.6	2.4	2.7	2.6	2.6
Clothes dryer	2.5	2.5	2.3	2.8	2.8	3.4	2.3	3.1	3.1	2.7	3.3	2.8	2.8
Air conditioner	0.8	1.3	1.1	1.2	1.3	1.5	1.5	2.3	2.2	1.7	1.9	1.9	1.6
Carpet	7.6	7.2	6.7	6.9	7.3	6.7	6.9	8.2	7.1	8.1	7.4	6.5	6.9
						Vacation Intended Within Six Months: Percent							
Vacation Intended	46.3		43.4		48.1		47.2		49.8		48.5		45.4
Destination													
Home state	11.1		8.4		9.2		9.9		10.5		10.3		8.5
Other state	31.6		30.9		34.2		32.8		33.5		33.4		32.0
Foreign country	5.1		5.7		5.6		6.2		7.0		6.5		6.2
Means of Travel													
Automobile	30.5		28.0		32.5		31.5		31.3		30.4		29.4
Airplane	15.2		15.2		17.1		15.5		17.1		17.9		15.5
Other	3.6		3.2		4.3		3.6		4.1		3.6		3.8

New Series: Beginning May, 1981 the NFO sample includes all types of households, prior to that families only. To link results overlapping surveys were conducted for four months commencing with May. Data are available on request. (p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein Waters at (212) 759-0900.